

**COMMONWEALTH OF KENTUCKY
PUBLIC PROTECTION CABINET
DEPARTMENT OF FINANCIAL INSTITUTIONS
ADMINISTRATIVE AGENCY ACTION NO. 2010-AH-1092**

DEPARTMENT OF FINANCIAL INSTITUTIONS

COMPLAINANT

vs.

BRYAN SCOTT HURT

RESPONDENT

FINAL ORDER DENYING APPLICATION FOR AGENT REGISTRATION

The Department of Financial Institutions (“DFI”) is responsible for administering the provisions of Kentucky Revised Statutes (“KRS”) Chapter 292, the Securities Act of Kentucky (the “Act”), as well as any applicable rules, regulations and Orders entered pursuant to the Act.

Pursuant to KRS 292.337(1), the Commissioner of the DFI enters this Final Order denying the application of Respondent Bryan Scott Hurt (“Hurt”) for registration as an issuer agent of Energy Exploration, Inc.

I. FINDINGS OF FACT

1. The DFI, Division of Securities (“Division”) received an application from Hurt for registration as an issuer agent of Energy Exploration, Inc. on June 28, 2010.
2. After a review of the application and other information related to Hurt in the Division’s possession, the Division determined that it needed more information from Hurt in order for his application to be complete.
3. On July 26, 2010, the DFI issued a subpoena to Hurt compelling him to appear at the DFI’s office and answer questions.

4. By letter dated July 27, 2010, the DFI informed Hurt that his application for registration as an issuer agent would not be complete until he appeared at the DFI in accordance with the subpoena.

5. Hurt came to the offices of the DFI on July 30, 2010 and answered questions asked by the DFI's representatives.

6. Based on Hurt's answers to the DFI's questions and information obtained by the DFI related to Hurt, the DFI finds that:

(a) From February 2006 through September 2007, Hurt was employed by North American Resource Group, Inc. as an issuer agent. During that time period, Hurt represented North American Resource Group in effecting or attempting to effect purchases or sales of securities for its oil and gas projects by or to James M Carr, Jr. ("Carr").

(b) Based on the foregoing transactions, Carr was a customer of Hurt.

(c) Hurt obtained a loan in the amount of one hundred seventy thousand dollars (\$170,000) from Carr on or about August 8, 2007.

(d) Hurt acted as an issuer agent of Hornet Oil and Gas Company in January 2008 by effecting the sale of a security in Hornet Oil and Gas Company's project Exie Prospect to Carr.

(e) Hurt acted as an issuer agent of Hornet Oil and Gas Company in March 2008 by effecting the sale of a security in Hornet Oil and Gas Company's project Exie Prospect to Verle Pyle.

(f) Hurt was not registered with the Division as an issuer agent of Hornet Oil and Gas Corporation in January and March 2008.

(g) To date, Hurt has not repaid the one hundred seventy thousand dollar loan (\$170,000) he received from Carr.

7. On August 5th, 2010, the DFI entered a Denial Order denying Hurt's application for agent registration. A copy of the Denial Order was mailed to Hurt at 440 Megan Lane, Glasgow, KY 42141 which was the home address provided by Hurt in his issuer agent application. The United States Post Office returned the denial order to the DFI as undeliverable/unclaimed on August 16, 2010.

8. On August 18th, 2010, a copy of the Denial Order was mailed to Hurt at 448 Megan Lane, Glasgow, KY 42141 which was the home address provided by hurt during the July 30, 2010 interview. The United States Post Office returned the Denial Order to the DFI as undeliverable/unclaimed on August 23, 2010.

9. Hurt did not request a hearing on the Denial Order.

STATUTORY AUTHORITY

10. KRS 292.337(1) states "The executive director may deny, refuse to renew, suspend, or revoke the registration of any broker-dealer, agent, investment adviser, or investment adviser representative. The executive director may bar, censure, or place on probation any registrant or any officer, director, partner, or person occupying a similar status or performing similar functions for a registrant, or, restrict, condition, or limit a registrant as to any function or activity of the business for which registration is required in this state. The executive director may take any of the foregoing actions for any reason set forth in subsection (2)."

11. KRS 292.337(2)(b) and (h) state: "For actions taken in subsection (1), the executive director shall find that it is in the public interest and further find that the applicant or

registrant or, in the case of a broker-dealer, or investment adviser, any partner, officer, or director, any person occupying a similar status or performing similar functions, or any person directly or indirectly controlling the broker-dealer or investment adviser:

(b) Has violated or failed to comply with this chapter or any rule promulgated or order issued under this chapter or a predecessor law;

(h) Has engaged in dishonest or unethical practices in the securities, commodities, investment, franchise, banking, finance, or insurance business within the previous ten (10) years.”

12. KRS 292.330(3) states, “it is unlawful for an individual to transact business in this state as an agent unless the individual is registered under this chapter as an agent or is exempt from registration under subsection (4) of this section.”

13. 808 KAR 10:440 Section 3 prohibits issuer agents from “engaging in the practice of lending to or borrowing from a customer either money or securities.”

CONCLUSIONS OF LAW

14. Hurt violated 808 KAR 10:440 Section 3 by obtaining a loan in the amount of one hundred seventy thousand dollars (\$170,000) from Carr in August 2007.

15. Hurt violated KRS 292.330(3) by acting as an issuer agent of Hornet Oil and Gas Company in March 2008 even though he was not registered as an issuer agent.

16. In accordance with KRS 292.337(1), KRS 292.337(2)(b) and KRS 292.337(2)(h), the Commissioner of the DFI finds that Hurt violated the Act, engaged in dishonest or unethical practices in the securities business within the previous ten (10) years, and further finds that it is in the public interest that Hurt’s application for registration as an issuer agent of Energy Exploration, Inc. be denied.

17. The Commissioner further finds that the Denial Order was served on Hurt at his last known address.

18. Hurt failed to timely request a hearing within twenty (20) of service. Thus, Hurt has not perfected his appeal and his right to a hearing is waived in this matter.

ORDER

19. **THEREFORE**, based upon the foregoing facts and conclusions of law, the Commissioner hereby **ORDERS** that Bryan Scott Hurt's application for registration as an issuer agent of Energy Exploration, Inc. is **DENIED**.

20. This is a **FINAL ORDER**.

This **ORDER** shall become effective upon completion of service as set forth in KRS 13B-050(2).

NOTICE OF APPEAL RIGHTS

Pursuant to KRS 13B.140, you are hereby notified that you have the right to appeal this Final Order of the Commissioner. If you choose to appeal, you must file a written Notice of Appeal with the Franklin Circuit Court within thirty (30) days after entry of this Order.

IT IS SO ORDERED on this the 23rd day of September 2010.

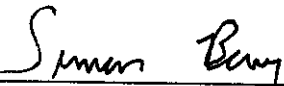


CHARLES A. VICE
COMMISSIONER

Certificate of Service

I hereby certify that a copy of the foregoing **Order** was sent by certified mail return receipt requested and on this the 24 day of September, 2010, to the following:

Bryan Scott Hurt
448 Megan Lane
Glasgow, KY 42141

A handwritten signature in cursive script that reads "Simon Berry". The signature is written in dark ink and is positioned above a horizontal line.

Simon Berry
Department of Financial Institutions
1025 Capital Center Drive, Suite 200
Frankfort, Kentucky 40601
(502-573-3390 ext 232)